



**ASX Announcement | 24 January 2022**  
**Hexagon Energy Materials Limited (ASX:HXG)**

## **MoU signed with international solar company FRV across potential hydrogen collaborations.**

**Hexagon Energy Materials Limited (ASX:HXG, “Hexagon” or “the Company”) has signed a non-binding Memorandum of Understanding (MoU) with well-established, large scale, renewable energy company, FRV Services Australia Pty Ltd (FRV Australia). This MoU covers a collaboration for a potential clean hydrogen hub at Middle Arm, Darwin in the Northern Territory; a new potential North Western Australian Hydrogen Hub development and other collaborations elsewhere in Australia.**

In November 2021 Hexagon and FRV Australia collaborated as consortium partners on an AusIndustry grant application in relation to a Middle Arm, Darwin, Hydrogen Hub Feasibility Study. The application was made under the “Activating a Regional Hydrogen Industry – Clean Hydrogen Industrial Hubs: Hub Development and Design program” and led to this MoU and further collaborations.

Both Hexagon and FRV Australia are already progressing individual clean hydrogen and renewable energy projects at or near Middle Arm, Darwin, each of which are fully funded in terms of pre-feasibility studies. FRV Australia has also secured funding for further studies and the construction stage for its hydrogen and renewable energy project.

Hexagon is currently in the final stages of a Pre-Feasibility Study (PFS) on its Northern Territory (NT) Hydrogen project (formally called Pedirka Project). The PFS is scheduled for completion by 28 February 2022 (HXG ASX Announcement: 22 December 2021). The PFS centres on decarbonised (zero net carbon emission) ammonia production (as a hydrogen carrier), through hydrocarbon-based hydrogen production with CCS. The project is targeting production of up to 1.6 million tonnes per annum (t.p.a.) of ammonia or 300,000 t.p.a. hydrogen equivalent. The Middle Arm Sustainable Development Precinct at the Port of Darwin is expected to have a number of critical clean hydrogen project and hub components such as access to established, large scale CO<sub>2</sub> geo-sequestration infrastructure and reservoirs (Carbon Capture and Storage (CCS)) and port (export) infrastructure.

Collaboration between FRV Australia and Hexagon under the MoU announced today could provide Hexagon access to FRV Australia’s mix of renewable energy products to supply the power required for Hexagon’s proposed hydrogen (clean Ammonia) production plant. This would see less CO<sub>2</sub> generated from Hexagon’s blue hydrogen production facilities, requiring less CCS, therefore lowering overall production costs for Hexagon’s projects.

FRV Australia is indirectly owned 51% by Fotowatio Renewable Ventures S.L. (FRV) and 49% by OMERS, one of Canada’s largest defined benefit pension plans.

Globally, FRV and its affiliated companies have installed 2GW of renewable energy generation with another 560MW under construction, with several green hydrogen projects constructed and in operation abroad, ranging from <1MW to 20MW in size.

FRV Australia has successfully developed nine solar farms in Australia that are currently producing a combined total of 781MW of electricity sold into the National Electricity Market (NEM) and is currently

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developing additional projects within the Northern Territory including its 29MW Berrimah Solar Farm where installation of an electrolyser is under assessment. FRV Australia’s team includes green hydrogen plant design and equipment supply specialists, solar engineer professionals, construction and project management professionals and commercial analysts as well as a dedicated asset management team.

Hexagon Managing Director Merrill Gray said: “We have been assessing all options available to progress our NT (Pedirka) Hydrogen project. This MoU underpins a potentially important step forward for us in realising efficiencies and in improving the commercial viability for our base case decarbonised ammonia production plant.”

“This MoU with FRV Australia is one of many important opportunities and collaborations, both in the NT and other locations, that will help to realise our objective in establishing the most practical pathway for Hexagon to achieve large scale, long term, commercial, clean hydrogen production in Australia” Ms. Gray said.

The next steps will be to identify and scope specific hydrogen projects to potentially move to conditional Heads of Agreement and onto binding commercial agreements.

Hexagon is a future energy materials company focussed on the clean energy transition of which hydrogen is a cornerstone. In addition to the NT Hydrogen and WA Hydrogen projects Hexagon holds highly prospective assets including the McIntosh Nickel-Copper, PGE Graphite Project and the Halls Creek Gold and Base Metals Project.

The Company’s vision for its Australian hydrogen business is to deliver clean hydrogen in the most economical form into export and domestic markets at scale over the coming four years. This non-binding MoU with FRV has the potential to deliver large quantities of low-cost renewable energy for use in hydrogen production supporting delivery into this vision.

#### **Authorisation**

This announcement has been authorised by the Hexagon Board of Directors.

#### **FOR FURTHER INFORMATION, please contact:**

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## ABOUT HEXAGON ENERGY MATERIALS LIMITED

Hexagon Energy Materials Limited (ASX: HXG) is an Australian company focused on clean energy project development and energy materials exploration and project development.

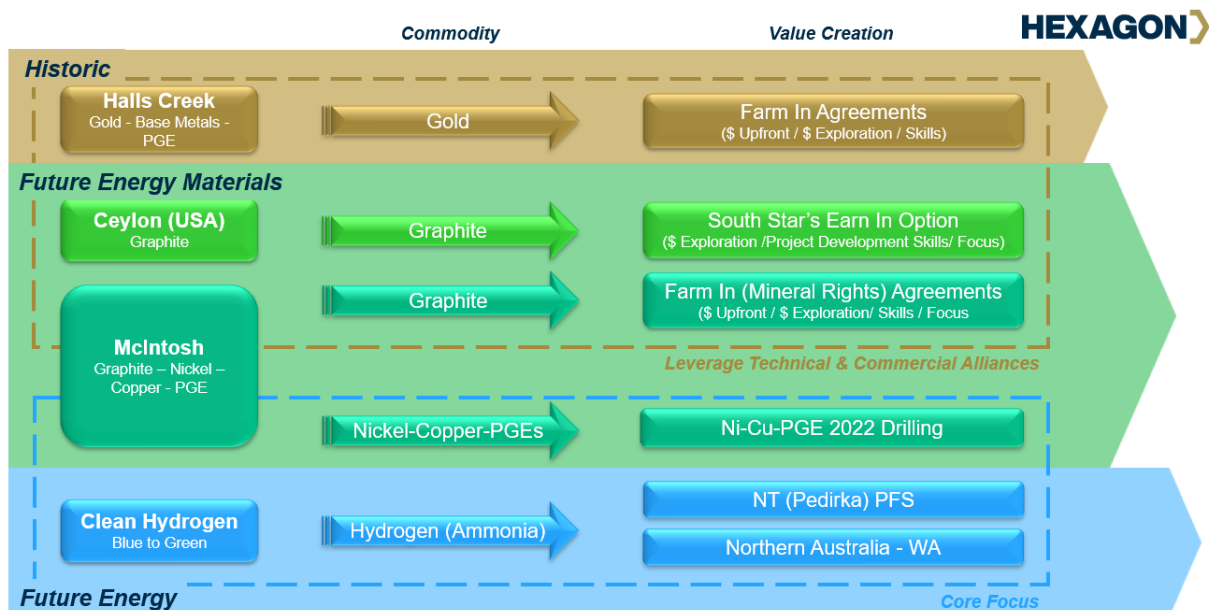
Hexagon is developing a business to deliver decarbonised hydrogen (blue ammonia) into export and domestic markets, at scale. The Pre-Feasibility Study for the NT (Pedirka) H<sub>2</sub> Project located in Australia's Northern Territory, utilising gasification and Carbon Capture and Storage (CCS), is in progress with a range of base case improvement opportunities in progression.

Hexagon's plan is to progressively increase its renewable energy usage transitioning from blue to green hydrogen production, on a commercial basis, over time.

Hexagon also owns the McIntosh Nickel-Copper-PGE and Graphite project in Western Australia (WA) and the Halls Creek Gold and Base metals project in WA. In the USA, Hexagon has an 80 per cent controlling interest of the Ceylon Graphite project located in Alabama over which South Star Battery Materials Corp. (TSXV: STS) on 7 December 2021 signed an Option to earn up to 75% in.

Hexagon's overarching goal for 2022 is to secure and leverage technical and commercial alliances by commodity across its project portfolio and maintain a core focus on Northern Australian Future Energy Materials and Future Energy project developments, in-house. Figure 1 below summarises Hexagon's Strategy.

**Figure 1:** Hexagon's Strategy.



To learn more please visit: [www.hxgenergymaterials.com.au](http://www.hxgenergymaterials.com.au)

### About FRV Australia

FRV Australia is one of the largest solar developers, asset owners and renewable energy platforms in Australia and one of the first solar developers to enter the Australian market and the first company to deliver a project-financed large scale solar farm in Australia with the Royalla Solar Farm near Canberra operating since August 2014. The company has developed almost 800MWdc of Australian PV assets built or under construction across 9 projects for a total project investment value of over 1 billion dollars. The activities are based in Sydney and the company has a multidisciplinary team of over 40 employees with the ambition to continue leading the global transition to a more sustainable energy future. FRV Australia

has evolved from being just a developer to becoming an independent power producer. The company is owned by Abdul Latif Jameel Energy, a world leader in the development of sustainable energy solutions (51%) and OMERS, one of Canada's largest defined benefit pension plans (49%); the OMERS stake is managed by OMERS Infrastructure, a global leader in infrastructure investing. For more information, please visit: [frv.com](http://frv.com)

### **About FRV**

FRV, part of Abdul Latif Jameel Energy, is a leading global renewable energy development company. In line with our ambition to continue leading the global transition to a more sustainable energy future, FRV has evolved from being just a developer to becoming an independent power producer.

We aim to be the world's leading green energy and infrastructure platform. To achieve this strategic vision, we have accelerated our growth through the return on our activities, shareholder contributions and asset rotation through the sale of minority stakes. As a result, the company expects to invest more than US\$ 1.5 billion with the goal of doubling total installed capacity from 2 GW in 2021 to 4 GW in 2024. For more information, please visit: [frv.com](http://frv.com)

### **About Abdul Latif Jameel Energy**

Abdul Latif Jameel Energy was established in 2012, and is now a leading independent power producer, and a premier service provider in the renewable energy sector, with interests in 16 countries around the world with capabilities in renewable energy, including solar PV, wind, waste-to-energy and environmental solutions, including desalination, water and wastewater treatment. For more information, please visit: [alj.com/energy](http://alj.com/energy)

### **About OMERS and OMERS Infrastructure**

OMERS Infrastructure manages investments globally in infrastructure on behalf of OMERS, the defined benefit pension plan for municipal employees in the Province of Ontario, Canada. Investments are aimed at steady returns to help deliver sustainable, affordable and meaningful pensions to OMERS members. OMERS Infrastructure also manages capital in several assets for other institutional investors. OMERS diversified portfolio of large-scale infrastructure assets exhibits stability and strong cash flows, in sectors including energy, digital services, transportation and government-regulated services. OMERS has employees in Toronto and other major cities across North America, the U.K., Continental Europe, Asia and Australia. OMERS is one of Canada's largest defined benefit pension plans with net assets of C\$114 billion, as at June 30, 2021.

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Forward-looking statements are based on expectations and assumptions at the time of such statements and are subject to numerous risks and uncertainties, many of which are outside the control of FRV or Abdul Latif Jameel entities. Should any of such expectations or assumptions prove incorrect, or should any of such risks or uncertainties materialize, actual future results, events, activities, developments or circumstances may differ materially from those expressed in or implied by forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and FRV or Abdul Latif Jameel do not assume, and hereby disclaims, any obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise.

All forward-looking statements made by FRV or Abdul Latif Jameel, or by any person on behalf of any of them, whether communicated in writing, electronically or orally, are qualified in their entirety by the foregoing cautionary statements.

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